



General Assembly

Amendment

January Session, 2007

LCO No. **9550**

HB0722309550SD0

Offered by:

SEN. LEBEAU, 3rd Dist.

SEN. HANDLEY, 4th Dist.

To: Subst. House Bill No. **7223**

File No. 841

Cal. No. 680

(As Amended)

**"AN ACT CONCERNING BUSINESS AND ENERGY
INDEPENDENCE DISTRICTS AND SPECIAL SERVICES
DISTRICTS."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 8-376 of the general statutes is repealed and the
4 following is substituted in lieu thereof (*Effective July 1, 2007*):

5 Any municipality [which] (1) that is a distressed municipality as
6 defined in subsection (b) of section 32-9p, on October 1, 1987, or (2)
7 that is classified as a public investment community within the meaning
8 of subdivision (9) of subsection (a) of section 7-545 may apply to the
9 Commissioner of Economic and Community Development to
10 designate an area of such municipality as a housing development
11 zone. Any such area shall consist of one or two contiguous United

12 States census tracts or [a portion of an individual census tract] portions
13 of one or more census tracts as determined in accordance with the
14 most recent United States census. At least twenty-five per cent of the
15 designated area shall be zoned or allow for multifamily residential
16 dwellings.

17 Sec. 2. Section 8-378 of the general statutes is repealed and the
18 following is substituted in lieu thereof (*Effective July 1, 2007*):

19 (a) The Commissioner of Economic and Community Development
20 may approve the designation of up to three areas in the state as
21 housing development zones, provided the commissioner shall not
22 approve the designation of more than one housing development zone
23 in any municipality. [Proposals for financial assistance received by the
24 commissioner from eligible developers, as defined in section 8-39, for
25 programs or projects authorized pursuant to chapter 128, 130, 133 or
26 138 which will be located in a housing development zone shall be
27 accorded a high priority to receive financial assistance from the
28 commissioner.] A municipality seeking approval of designation shall
29 provide the commissioner with sufficient information to determine
30 that the proposed housing development zone meets the criteria
31 established in subsection (b) of section 8-376, as amended by this act.
32 The commissioner may remove the designation of any area which has
33 been approved as a housing development zone if such area no longer
34 meets the criteria for designation as such a zone set forth in sections 8-
35 376 and 8-377 or in regulations adopted pursuant to section 8-381,
36 provided no such designation shall be removed less than ten years
37 from the original date of approval of such zone.

38 (b) The commissioner shall give immediate consideration for
39 financial assistance pursuant to chapter 128, 130, 133, 138 or 588/ or
40 section 8-37pp or 8-336p to proposals from eligible developers, as
41 defined in section 8-39, that will be located in a housing development
42 zone. If a project to be located in a housing development zone is
43 comparable to a project that will not be located in a housing
44 development zone, the commissioner shall give priority to

45 authorization of the project in the housing development zone.

46 Sec. 3. Subsection (d) of section 10-416 of the general statutes is
47 repealed and the following is substituted in lieu thereof (*Effective July*
48 *1, 2007*):

49 (d) The commission shall, in consultation with the Commissioner of
50 Revenue Services, adopt regulations, in accordance with chapter 54, to
51 carry out the purposes of this section. Such regulations shall provide
52 that if the historical significance of a home located in a housing
53 development zone designated pursuant to section 8-378, as amended
54 by this act, is comparable to the historical significance of a home that is
55 not located in a housing development zone, priority for issuance of tax
56 credit vouchers shall be given to the historic home located in the
57 housing development zone.

58 Sec. 4. Subsection (d) of section 10-416a of the general statutes is
59 repealed and the following is substituted in lieu thereof (*Effective July*
60 *1, 2007*):

61 (d) The commission shall adopt regulations, in accordance with
62 chapter 54, to carry out the purposes of this section. Such regulations
63 shall include provisions for filing of applications, rating criteria and for
64 timely approval by the commission. Such regulations shall provide
65 that if the historical significance of a certified historic structure located
66 in a housing development zone designated pursuant to section 8-378,
67 as amended by this act, is comparable to the historical significance of a
68 certified historic structure that is not located in a housing development
69 zone, priority for issuance of tax credit vouchers shall be given to the
70 certified historic structure located in the housing development zone.

71 Sec. 5. Subsection (k) of section 8-395 of the general statutes is
72 repealed and the following is substituted in lieu thereof (*Effective July*
73 *1, 2007*):

74 (k) The Connecticut Housing Finance Authority, with the approval
75 of the Commissioner of Revenue Services, shall adopt written

76 procedures in accordance with section 1-121 to implement the
77 provisions of this section. Such procedures shall include provisions for
78 issuing tax credit vouchers for cash contributions to housing programs
79 based on a system of ranking housing programs. In establishing such
80 ranking system, the authority shall consider the following: (1) The
81 readiness of the project to be built; (2) use of the funds to build or
82 rehabilitate a specific housing project or to capitalize a revolving loan
83 fund providing low-cost loans for housing construction, repair or
84 rehabilitation to benefit persons of very low, low and moderate
85 income; (3) the extent the project will benefit families at or below
86 twenty-five per cent of the area median income and families with
87 incomes between twenty-five per cent and fifty per cent of the area
88 median income, as defined by the United States Department of
89 Housing and Urban Development; (4) evidence of the general
90 administrative capability of the nonprofit corporation to build or
91 rehabilitate housing; (5) evidence that any funds received by the
92 nonprofit corporation for which a voucher was issued were used to
93 accomplish the goals set forth in the application; [and] (6) with respect
94 to any income year commencing on or after January 1, 1998: (A) Use of
95 the funds to provide housing opportunities in urban areas and the
96 impact of such funds on neighborhood revitalization; and (B) the
97 extent to which tax credit funds are leveraged by other funds; and (7)
98 whether or not the project is located in housing development zones.

99 Sec. 6. (NEW) (*Effective July 1, 2007*) On or before February 1, 2008,
100 and annually thereafter, the Commission on Culture and Tourism shall
101 submit a report to the joint standing committee of the General
102 Assembly having cognizance of matters relating to planning and
103 development and to the select committee of the General Assembly
104 having cognizance of matters relating to housing on the issuance of tax
105 credit vouchers for historic homes located in housing development
106 zones pursuant to section 10-416 of the general statutes, as amended by
107 this act, and certified historic structures in housing development
108 zones, pursuant to section 10-426a of the general statutes, as amended
109 by this act. Such report shall include information on the vouchers

110 issued for historic homes and certified historic structures located in
111 housing development zones, along with a description of the priority
112 they received, the number and the amount of such vouchers issued.

113 Sec. 7. (NEW) (*Effective July 1, 2007*) In issuing tax credits under the
114 Low Income Tax Credit Program, 26 USC 42, the Connecticut Housing
115 Finance Authority shall give priority to projects located in housing
116 development zones.

117 Sec. 8. (NEW) (*Effective July 1, 2007*) On or before February 1, 2008,
118 and annually thereafter, the Connecticut Housing Finance Authority
119 shall submit a report on the issuance of tax credits under section 8-395
120 of the general statutes, as amended by this act, and under the Low
121 Income Tax Credit Program, 26 USC 42 to the joint standing committee
122 of the General Assembly having cognizance of matters relating to
123 planning and development and to the select committee of the General
124 Assembly having cognizance of matters relating to housing. Such
125 report shall include information on the vouchers issued for housing
126 located in housing development zones, along with a description of the
127 priority they received, the number and amount of such vouchers
128 issued.

129 Sec. 9. Subsection (a) of section 12-81r of the general statutes is
130 repealed and the following is substituted in lieu thereof (*Effective July*
131 *1, 2007*):

132 (a) Any municipality may (1) enter into an agreement with the
133 owner of any real property to abate the property tax due as of the date
134 of the agreement for a period not to exceed seven years if the property
135 has been subject to a spill, as defined in section 22a-452c, and the
136 owner agrees to conduct any environmental site assessment,
137 demolition and remediation of the spill necessary to redevelop the
138 property. Any such tax abatement shall only be for the period of
139 remediation and redevelopment and shall be contingent upon the
140 continuation and completion of the remediation and redevelopment
141 process with respect to the purposes specified in the agreement. The

142 abatement shall cease upon the sale or transfer of the property for any
 143 other purpose unless the municipality consents to its continuation. The
 144 municipality may also establish a recapture provision in the event of
 145 sale provided such recapture shall not exceed the original amount of
 146 taxes abated and may not go back further than the date of the
 147 agreement; [or] (2) forgive all or a portion of the principal balance and
 148 interest due on delinquent property taxes for the benefit of any
 149 prospective purchaser who has obtained an environmental
 150 investigation or remediation plan approved by the Commissioner of
 151 Environmental Protection or a licensed environmental professional
 152 under section 22a-133w, 22a-133x or 22a-133y and completes such
 153 remediation plan for an establishment, as defined in section 22a-134,
 154 deemed by the municipality to be abandoned; or (3) enter into an
 155 agreement with the owner of residential property to abate up to thirty
 156 per cent of the property tax due as of the date of the agreement,
 157 provided the residential property (A) is subject to a consent order
 158 entered into by a person other than the owner of the residential
 159 property and the Commissioner of Environmental Protection under
 160 section 22a-6, 22a-424, 22a-425, 22a-427, 22a-432 or 22a-433, (B) is to be
 161 remediated under such consent order, and (C) currently is, or in the
 162 future will be, undergoing remediation pursuant to a remediation plan
 163 approved by said commissioner. The municipality may determine the
 164 rate of any abatement based upon any reasonable factor, including, but
 165 not limited to, the degree and extent of the remediation to be
 166 conducted on the residential property. Any such abatement shall only
 167 be for the period the property is subject to remediation pursuant to an
 168 approved remediation plan, and shall cease upon the completion of the
 169 remediation, as determined by said commissioner. Said commissioner
 170 shall notify the municipality in writing of such completion. Any
 171 abatement shall cease upon the sale or transfer of the property for any
 172 purpose other than residential."

This act shall take effect as follows and shall amend the following sections:

Section 1	July 1, 2007	8-376
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Sec. 2	<i>July 1, 2007</i>	8-378
Sec. 3	<i>July 1, 2007</i>	10-416(d)
Sec. 4	<i>July 1, 2007</i>	10-416a(d)
Sec. 5	<i>July 1, 2007</i>	8-395(k)
Sec. 6	<i>July 1, 2007</i>	New section
Sec. 7	<i>July 1, 2007</i>	New section
Sec. 8	<i>July 1, 2007</i>	New section
Sec. 9	<i>July 1, 2007</i>	12-81r(a)